

December 6, 2018

Case Number Filing: 1:2018 BK 13132

Summons Received by regular mail on 11/21/2018

Southern District of New York

Bankruptcy Court



Honorable Judge Martin Glenn

RE: Bankruptcy Fraud by Phoenix Financial (the Debentures Trustee & Agent)

Your Honor Judge Glenn,

We write to alert you to the clear fraud on this Court in the involuntary bankruptcy filing: 1:2018 BK 13132.

In this case 2 filers masquerading as 3 filers are claiming a total of \$286,000 against a company (Champions League, Inc.) that the debenture trustee on a recorded call can be heard claiming is worth "hundreds of millions".

Here are the specifics of the filers and debenture trustees actual fraud:

1. This filing is a collusion between the investment bank for these debentures, Phoenix Financial, Inc. and the two debenture holders that have filed, neither of the two actual filers knew the other but were recruited for this fraudulent filing.
2. Neither investor nor the trustee has presented their debentures for payment to the company nor have they contacted the company regarding this.
3. 75% of the outstanding \$6 million dollars of debentures were exchanged by written agreement, drafted by Phoenix Financials counsel, before Phoenix Financial disrupted the exchange with Phoenix making a highly documented (including written documents, emails, and recorded calls) offer to invest \$ 8 million in Champions. Asking that Champions stop all efforts to accommodate the completion of the offer.

4. Of the original \$6 million in debentures underwritten by Phoenix Financial these two filers represent less than 5% of the dollar value of the debentures issued for Champions and Champions League Partners.
5. Phoenix Financials CEO is on a recorded call saying to a group of 8 others including Champions CEO that Champions is worth “Hundreds of Millions and that ML Carr believes it is worth a Billion). You can listen to Kevin Chen, CEO of Phoenix Financial, say this at: www.ChampionsLawsuit.com - click on Insiders
6. Phoenix Financial through Mr. Kevin Chen and Mr. Bharat Parikh, both Champions owners as well, asked the company and the investors to stop the exchange and the company operations so that Phoenix Financial and there hand picked CEO, Byron Scott, along with a group of insiders could invest in Champions and become majority owners.
7. They have threatred this ‘involuntary bankruptcy’ as part of their efforts numerous times also on recorded calls.
8. This involuntary bankruptcy is entirely of their making and design.
9. One February 1st, Kevin Chen the Debenture Trustec asked our Chairman to hire Byron Scott as our CEO saying “I can pretty much guarantee their conversion, (the remaining 25% not exchanged) and the debt overhang will completely disappear.”
10. On June 14th, Kevin Chen, Debenture Trustee, told Champions on a call he had “spoken with all Debenture holders and they are all on board”.
11. In a July 11th email Bharat Parikh specifically instructed Champions to not speak with creditors further “Carl, per our agreement, I need to make sure you are NOT talking to anyone regarding Champions.” and “Our understanding is that our signed agreement authorizes us to proceed with negotiations.”

12. In a July 25th email Bharat Parikh further informed Champions and others that the Insiders group were proceeding and specifically “In addition, we are in the process of settling all elements with past employees, players, ambassadors, and AP” and “and should hopefully have reached out to each investor brought by Phoenix by the first week in August”.
13. In September several Debenture Holders shared that Phoenix had further contacted them and instead of receiving shares in the teams that Phoenix had offered that they would “receive their investment back plus a dividend from Primetime” and that “Primetime was going forward”.

Conclusion

This is a gross misuse of the bankruptcy courts, is in violation of the terms of the debenture and its maturity and presentment, has been perpetrated by the trustee of the debentures who is the only one allowed to take these actions (not the holders themselves) and is all being done as part of a concerted strategy to steal the company.

In addition to the above, Phoenix Financial is aware the company has on its books \$9 million dollars of license receivables. These are from the original 16 million in license fees of which \$7 million have been already paid.

Phoenix Financial upon believe recruited these filers, arranged for their counsel, and paid for one or both of the members of the filing group.

Champions League, Inc. and its principals are already in litigation with the trustee for the fraud perpetrated on the company and have countersued for \$100 million dollars for their actions over the past year (Minnesota case # 27-CV-18-17813).

Given the specific facts above we believe that this a collusionary involuntary filing meant to disrupt and devalue Champions League, Inc. which the group is seeking to purchase a majority interest in or to steal the business of the company.

Relief

1. We pray the court to recognize this for what it is, a fraud in fulfillment of the Insiders threats and position as the debenture trustee and agent.
2. We ask this Court to not allow the use of the bankruptcy filing statutes by Phoenix Financial in this fraud
3. We ask the Court to dismiss this brazen misuse and to award Champions damages and to fine to the extent allowable the filing parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carl George', with a stylized flourish at the end.

Carl George

Chairman,

Champions League, Inc.